

VZCZCXRO2913
RR RUEHCHI RUEHDT RUEHHM RUEHNH
DE RUEHVN #0088/01 0391013

ZNR UUUUU ZZH
R 081013Z FEB 08
FM AMEMBASSY VIENTIANE
TO RUEHC/SECSTATE WASHDC 1808
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHVI/AMEMBASSY VIENNA 0022
RHHMUNA/CDR USPACOM HONOLULU HI
RUEHUNV/USMISSION UNVIE VIENNA 0122
RUEABND/DEA HQS WASHINGTON DC

UNCLAS SECTION 01 OF 02 VIENTIANE 000088

SIPDIS

SENSITIVE
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STATE FOR INL/AAE
STATE FOR EAP/MLS
PACOM FOR JIATF-W

E.O. 12958: N/A
TAGS: SNAR XC LA
SUBJECT: VIENTIANE ILLICIT DRUG SECTOR DONOR GROUP BEGINS
ITS WORK

¶1. (SBU) In January the Vientiane Illicit Drug Sector Working Group (IDSWG) conducted its first semi-annual meeting for 2008. What was once the Vientiane Mini-Dublin Group has evolved IDSWG, a larger body that includes all of the drug sector donors in Laos. China, Korea, and the members of ASEAN are all significant drug sector donors in Laos, but before the formation of the IDSWG, they were not part of any formal donor coordination process. While expansion of the group to include all of the major players is clearly a step in the right direction, it still produced frustratingly little in terms of tangible donor coordination. The Embassy, along with several participating United Nations Programs, hope to see the formation of a supporting technical working group for the IDSWG in the near future which could facilitate coordination more effectively. End Summary.

¶2. (U) The donor counter narcotics coordination meeting of 2008 was held under the aegis of the new Vientiane Illicit Drug Sector Working Group (IDSWG). At its last meeting in June 2007, the Mini-Dublin Group agreed to draft terms of reference for a new working group, to consist of members of the Mini-Dublin Group, plus the GOL, other ASEAN members, countries with memoranda of understanding with ASEAN on drug control (which include China, India, Korea and Russia), and an expanded list of donor organizations. The IDSWG is chaired by the Chairman of the LCDC, Minister Soubanh. The national co-chair of the Vientiane Mini-Dublin Group (currently Australia) and the UNODC Country Representative serve as co-chairs. Countries attending (most represented by Ambassadors) included: Australia, Burma, Brunei, Cambodia, China, EU, Indonesia, Japan, Malaysia, Philippines, Korea, Russia, Singapore, Sweden, Thailand, and the US. Organizations attending included: UNDP, UNAIDS, World Food Program, UNICEF, WHO, World Bank, ADB, and several governmental and non-governmental donor organizations.

¶3. (U) In remarks opening the meeting, Minister Soubanh noted remarkable progress toward making Laos poppy-free, but cautioned that this situation "remains very fragile" because of the number of farmers formerly dependent on poppy who have been left without a viable livelihood. He said that LCDC had refined the list of 1100 villages that needed such assistance, to place greater emphasis on the 32 former opium producing districts that are among the 47 poorest districts identified by the national poverty elimination strategy. The GOL needed donor support for sustained assistance in its action plan for the period 2008-2012 if it were to be able to perpetuate the substantial elimination of poppy cultivation

that has now been achieved. He said the GOL recognized and was very concerned by indications, such as frequent arrests of Lao citizens found smuggling drugs into Vietnam or other neighboring countries, that transnational criminal organizations were exploiting Laos for transit of drugs and other contraband. In December, the National Assembly approved a new drug law, which should shortly come into effect. This new law would help strengthen GOL capabilities to maintain Laos opium-free, prevent or reduce abuse of methamphetamine and other illegal drugs, and prevent or punish trafficking and other drug-related crime. LCDC would be consulting with UNODC to develop a new drug control strategy based on this law to guide its actions in coming years.

¶4. (U) UNODC Country Director Leik Boonwaat briefed the Group on UNODC's assessment of the current drug and crime control situation in Laos, and then detailed UNODC's ongoing and planned activities. He described the recent history of declining poppy cultivation in Laos, based on UNODC annual surveys, and described plans for the 2008 survey, which would begin in February. He agreed with Minister Soubanh's warning that failure to respond to the requirements of the rural population for alternative livelihood carried an attendant danger of resumed poppy cultivation. Many farmers who had given up poppy had subsisted so far only through non-sustainable expedients, including destructive one-time collection of non-timber forest products, consumption of available livestock, daily wage labor or relocating to other areas. UNODC had worked with Laos and its neighbors to promote more effective cooperation against the growing problem of smuggling of drugs, precursor and essential chemicals, and other contraband by transnational criminal organizations through Laos to other countries in the region. He noted that during the past year, Vietnam had arrested a

VIENTIANE 00000088 002 OF 002

substantial number of Lao citizens found smuggling heroin or other drugs into Vietnam, some of whom had received death sentences. Statistics published by the Thai authorities showed that among foreigners arrested in Thailand for drug trafficking during 2007, the largest number came from Burma and Laos.

¶5. (U) As has been customary in the Vientiane mini-Dublin Group, the US Embassy was then invited to brief the group on the USG assessment of the regional drug trafficking situation, and potential paths forward. The Vientiane Transnational Crime Affairs Section (TCAS) Officer described the USG annual estimates of poppy cultivation, which differed slightly from those prepared by UNODC, but fully confirmed the steep decline during recent years. He said the USG was reorienting its remaining opium poppy crop control assistance to respond more directly to the need of former poppy growers for alternative livelihoods, and emphasized that this type of assistance must in many instances be complemented by food security relief assistance to address compelling requirements in many areas. The USG also recognized that while measures now being implemented to facilitate freer movement of goods and persons among ASEAN members are important and desirable, both for trade and economic development, they also entailed significant additional challenges which Lao law enforcement and border control authorities could address only through cooperation with neighboring nations and assistance from international donors.

¶6. (U) Following these presentations, the WFP resident representative provided a brief description of WFP activities during 2007. WFP had just succeeded in meeting its target of providing food relief assistance in 200 villages, all or virtually all of which had formerly produced poppy. She welcomed US recognition of the urgent need to respond to food security concerns, and said WFP's independent assessments had confirmed the urgent requirement for such assistance. She called on LCDC to consult with donors, and to define/map the villages it considered in need of food relief, alternative

development or other assistance. She said that confusion over village names and the irregular displacement of many communities made it difficult to determine where many potential recipients were physically located. She said that of the 200 villages WFP had assisted with food relief during 2007, only about a quarter appeared to have been part of the GOL list of 1100 villages most in need of assistance.

¶17. (U) The UNODC Country Director proposed that the annual field observation visit customarily arranged for members of this Group take place during the first week of March, and that this year's visit include UNODC and other donor projects in Oudomxai and Luang Namtha Provinces. The Australian co-chair said that a report of this meeting would be submitted at the Dublin Group meeting later this month in Brussels.

¶18. (SBU) Comment: The breadth of participation allowed by the new IDSWG form is a better reflection of the actual situation in Laos, where many of the most significant donors in this sector are not members of the Dublin Group. The level of participation is a welcome indication of the degree of interest and concern that the participating countries have in drug and related crime control issues. That said, the Group in this form is not well-suited to facilitate effective donor coordination in accordance with the objectives of the Dublin Group, as the presence of the GOL and non-like minded donors precludes the sort of frank discussion necessary. The Embassy intends to continue to pursue, starting with UNODC, an idea that the WFP resident representative advanced; that the Group agree to establish a technical sub-group that together with LCDC can provide some coordination within the drug sector where little to none currently exists. End Comment.

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